

**STATE OF DELAWARE  
DEPARTMENT OF FINANCE  
DIVISION OF REVENUE**

January 24, 2014

TO: ALL OFFERORS

FROM: SHARON FERRARA  
COLLECTIONS MANAGER

SUBJECT: **ADDENDUM TO REQUEST FOR PROPOSAL NO. FIN 25-06-011101  
SECOND REFERRAL COLLECTION SERVICES**

**ADDENDUM # 4**

This addendum is provided in response to the vendor questions that have been received for the solicitation to Contract No. FIN 25-06-011101.

**1. How long of duration in time does the state place the account with the first collection agency?**

An account remains at the agency for 270 days with no payment in 90 days. If an account has a payment within 90 days then it remains at the agency.

**2. Does the state currently have a second referral collection agency collecting money on their behalf? If so who is the collection agency, what is their current liquidation rates on this work and what contingency fees are being charged to the state for this work? (Our impression from the previous answers is no you don't)**

Progressive Financial Services is our Second Referral Collection agency. The liquidation rate and contingency fee is listed in the questions and answers that were previously posted.

**3. Who are the collection agencies what collect money for the state in the first referral stage of collection at present? Also what is their current liquidation rates on this work and what contingency fees are being charged to the state for this work? (We believe that you answered this in Q7 of Addendum 2, please confirm)**

We currently have three first referral collection agencies. NCO Financial Services Inc., Diversified Collection Services Inc. and United Collection Bureau Inc. The current contingency rate for the first referral collection agencies is 15.5% for normal collections and 25% for litigation accounts. The gross liquidation rates range from 2.28% to 4.87%.

**4. Does the State allow for their collection agency (regardless of the stage of collection) to report this debt to the major credit bureaus?**

No we do not allow the agency to report these debts to the credit bureaus.

**5. Does the State allow for their accounts to be settled, and if so what is the settlement authority matrix.**

If there is a request for an account to be settled the account would have to be reviewed by one of our employees. The agency would not have the authority to do this.

All other terms and conditions remain the same.